

Fall 2011

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THE VALUE OF PUBLIC RELATIONS IN INVESTOR RELATIONS: INDIVIDUAL INVESTORS' PREFERRED INFORMATION TYPES, QUALITIES, AND SOURCES

By Timothy Penning

A survey targeting individual investors addressed the types, qualities, and sources of information this specific public seeks and values. In keeping with uses and gratifications theory and situational theory of problem solving, results identify specific conditions associated with investors seeking and selecting sources of information that would be considered public relations content, validating public relations and investor relations communication as having value to a specific set of individual investors. This study provides evidence that public relations communications content has as much or more value than information from the news media or other sources in an investor relations context.



Communication with stockholders, known as investor relations, has been increasing in popularity as a specialty in the public relations profession. Currently, the National Investor Relations Institute (NIRI) has 4,400 members in thirty-three chapters in the United States—46% of them have a background in communications/public relations, while 49% have a background in finance/accounting.¹

This blending of public relations and finance professionals in the work of investor relations has had several consequences. One is that public relations professionals have had to work to gain recognition in the investor relations arena. CEOs mostly do not perceive investor relations as a public relations function, and when they do, they see it more as a technical activity than a managerial function.²

Secondly, and perhaps because of this perception, investor relations has received scant scholarly attention. Laskin found that investor relations as a concept has been mostly overlooked by communication journals.³ Existing studies of investor relations focus mostly on financial and accounting concepts.

The primary publics in investor relations are analysts, business journalists who cover investing, and investors.⁴ With the growing popularity of mutual funds, institutional investors—those who purchase

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J&MC Quarterly
Vol. 88, No. 3
Autumn 2011
615-631
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stocks and other investments on behalf of a fund or brokerage house—have received much of the attention in investor relations. However, individual investors, also called retail investors, remain important, although they also have received little research focus to date.⁵ The American Association of Individual Investors (AAII) has 150,000 members,⁶ and many more likely have simply not affiliated formally with this organization.

This study seeks to gain understanding of how individual investors use and value information from public relations professionals (i.e., directly from a company) versus the news media and other sources. As such, uses and gratifications theory as well as the situational theory of publics informs this study. A study of investor relations with a focus on communication variables that contribute to specific information selection by individual investors would add to knowledge on the subject. In particular, a study of a particular public's (investors') preference for public relations information compared to news media and other sources will add an empirical understanding of the role of public relations content in aiding informed investment decision making.

Literature Review

The literature on investor relations comes from disparate sources—public relations, library science, law, and business. The literature most relevant to this study addresses behaviors of individual investors, subjects and qualities of the information they seek when making investment decisions, and sources of investment information they select when investing.

Theoretical Foundations. The uses and gratifications approach assumes that individuals' media content choice is rational and goal-oriented. Also, personal utility is a more significant determinant of audience formation than aesthetic or cultural factors.⁷ The process of media selection is concerned with the expectations people have of not just mass media, but other sources of information, which leads to differential exposure.⁸

These uses and gratifications concepts fit within the situational theory of publics, which has guided public relations scholars and practitioners to segment publics according to the "problems" a group of people perceive for themselves. According to Grunig, the theory posits that people consume information more systematically when they believe that information matches their subjective problems.⁹ In other words, people's expectations for media (uses and gratifications) are aligned with their currently perceived problem (situational theory). More recently, Kim and Grunig pointed out that the original situational theory of publics looked only at information seeking. In a proposed new situational theory of problem solving, they note that publics also engage in information selection. Specifically, the new theory recognizes that people select certain kinds of information to economize or optimize a solution to their problem, and that some pieces of information are more relevant than others. They propose two variables: information "forefending," which leads people to fend off irrelevant information to pursue and select only the most relevant information, and information "permitting," in which people are open to

all information to aid in achieving a solution.¹⁰ It is this forefending and permitting behavior in particular that responds to the need for gratifying a personal utility.

In this context, investors are a specific public because of their unique “problem” of finding information to help make informed investing decisions. As such, they clearly seek information. What is not clear are the specific qualities of the information that gratify investors’ particular needs, and which sources—news media or others (i.e., public relations content)—they select on the basis of those qualities.

Investor Behavior. In terms of general characteristics of investors, whites and individuals with higher income are more likely to participate in company pension plans than other race/ethnic groups or persons of lower income.¹¹ During the past two decades investors have become more concentrated in the middle-age group, they hold fewer total securities in their portfolios, they tend to invest for the long term, and they use indexes to compare the performance of specific investments.¹²

One study used undergraduates in an investor relations simulation to confirm the situational theory of publics—that active “investors” were more engaged with investment-related material.¹³ A study of actual investors found that individual investors tend to behave according to a rational choice model, in spite of the fact that economists have assumed individuals to be more susceptible to psychological biases than institutional investors.¹⁴ Another study showed that trading in index futures markets can be sentiment driven.¹⁵ The studies leave open the question of what types of information individual investors seek and select when making stock investments.

Individual investors in America as a group tend to prefer to educate themselves when making investments using a variety of information available to them.¹⁶ A study in Germany found that investors process information differently according to whether financial products were framed in an aggregated (e.g., mutual fund) or segregated (e.g., individual stock) manner. Framing effects were more likely when investors made decisions intuitively rather than analytically.¹⁷ Aversion to loss or risk has been found to be the most important influence on investor behavior across the twenty-year period of 1986-2006.¹⁸ Older investors, contrary to common assumptions, are actually better able to handle risk in old age.¹⁹

Information Content Types and Quality. One fundamental quality of investor relations information is that investors perceive it as relevant to their needs. Marcus asserts that various types of relevant information for investors all relate to three categories: financial indicators, management information, and future plans.²⁰ Other studies reveal that company reputation and position in the industry are considered important for individual investor decision making as well.²¹

A survey of investors in 1973 showed that the quality of management, future economic outlook of the company, and economic outlook of the company’s industry are of “great importance” to investors, while other factors such as sales growth, corporate reputation, and potential risk are of moderate importance.²² In a more contemporary study,

investor relations professionals assert that corporate social responsibility (CSR) is increasingly a consideration of individual investors.²³ A study of actual investors found that the specific investor motivated by CSR is female, younger, less wealthy, and more educated.²⁴ Today's investors seek information about the character of a company's management.²⁵ But even decades ago, an investor's willingness to buy stock in a company was influenced by information that led to trust in management.²⁶

In addition to the specific contents of information individual investors seek, the nature or quality of that information is also important. Characteristics of information most valued by individual investors are accuracy, reliability, and currency. Objectivity, timeliness, usefulness, and accessibility of information have also been found to be key qualities of information.²⁷

Information Sources. The information used by investors has changed over the years. Consider a 1973 survey in which more than 60% of investors surveyed indicated that stockbrokers or advisory services were most important sources of investing information.²⁸ In the same survey, newspapers and magazines, as well as friends or relatives, were also mentioned, but rarely. Annual reports and company management were lumped in an "other" category and ranked most important less than 5% of the time. The *Investor Relations Handbook* published in the same era notes that few stockholders attended annual meetings and that the annual report served merely as an assurance and not a primary information source.²⁹

Today, the array of information available to and sought by investors has blossomed, and much of it comes directly from companies in the form of public relations information. Information sources include webcasts of conference calls and annual meetings, websites with special investor relations sections, direct response to inquiries from individual investors, corporate profiles and other supporting publications, annual reports, news releases and other information sent via e-mail that individual investors can subscribe to, news and features in the business and financial media, and corporate advertising.³⁰

While investors indicated they thought annual reports were correct and complete, they also perceive them as hard to understand and not objective.³¹ More recently investors consider annual reports to be credible, but they are not sought out as quickly as other sources of information, such as financial media or analyst reports or company websites, even though websites are seen as less credible.³² This seeming disparity might be explained by the fact that investors have also reported that convenience is the primary reason they seek investing information online.³³

The Internet has made information for individual investors more accessible and often free.³⁴ However, investment-related information on corporate websites has often been found to be outdated and therefore less useful.³⁵ Also, there are many third-party websites about investing.³⁶ The public's general use of media—for investing and other purposes—places company websites low on the list. In one recent survey, they were reported to be used a quarter of the time or less across age groups, slightly high-

er than business news websites but lower than cable television or local newspapers.³⁷ Today, companies can make all materials available on their websites, so asking investors to evaluate a “corporate website” would confound it with other information sources.

One study found a high correlation between investor relations professionals’ value of retail investors and the amount of effort they spend trying to earn publicity in the mass media.³⁸ However, the actual value of business media information for making investment decisions has been questioned.³⁹

Using word-of-mouth information in investing could be attributed to peer influence⁴⁰ or familiarity with a local company.⁴¹ However, a rational inclination to exploit local information in making investment decisions has also been found.⁴² But a 2008 national survey of adult Americans’ media use showed advice from family and friends influenced investing decisions in only 13% of respondents, and advice from a co-worker was influential among only 5%. That compares with 6% and 7% for local newspapers and blogs, respectively.⁴³

Today’s individual investor has a range of information sources from which to choose. They also have a variety of needs with regard to the content and qualities of that information. What is of interest is how these variables relate to one another.

This study focuses on the individual investor who purchases his/her own stocks directly in companies, as opposed to collectively in mutual funds. A focus on individual investors and specific companies is important because for them the investing decisions are more personally salient.

In addition to the demographics and investing behaviors (trade frequency, risk tolerance) of individual investors, several variables derived from the literature shaped the research questions and hypotheses for this study. They include the types and qualities of information, and therefore the sources selected, by individual investors when making investing decisions.

Several unanswered questions in the literature have to do with whether or not individual investors prefer investing information content, quality, and sources in a statistically different way based on demographic characteristics or two key investing behavior variables—frequency of trading and risk tolerance, with the latter relating to the degree an investor is willing to risk losing an investment on a volatile stock because of potential higher return.

RQ1: Do preferences for content, qualities, and sources of investing information vary by demographic characteristics of investors—age, gender, race, income?

RQ2: Do preferences for content, qualities, and sources of investing information vary by investor behavior, including the frequency with which investors trade stock—

Research Questions and Hypotheses

buy and hold, quarterly balance, day-trader—and degree of risk tolerance?

Other questions relate to the relationship of the independent variables—investing information content and qualities—with the dependent variables—the sources of investing information selected.

RQ3: To what extent are the types of investing information sought associated with the sources of information individual investors prefer?

RQ4: To what extent are the qualities of investing information sought associated with the sources of information individual investors prefer?

From these research questions and the literature, three hypotheses have been derived. Consideration of a source of information's being useful comes from the personal utility assumption of the uses and gratifications perspective. Specification of a corporate or news media source is related to the concept of information selection from the situational theory of problem solving.

H1: The more that individual investors seek details about a company's products and management, the more likely they will consider information from a company to be useful (as opposed to news media and individual sources).

H2: The more that individual investors seek investing information that has a comprehensive quality, the more often they will consider information from corporate sources to be useful.

It is generally expected that the third-party objectivity of the news media would make them a more preferred source than corporate public relations materials. However, it is plausible that a news media story may be narrowly focused on one type of information and that corporate communications provide more sought-after detail and other types of information. This is likely especially for investors, for whom a focus on one particular type of content, e.g., financial performance, does not satisfy their interest in other types of information, such as corporate reputation and details about products and management. Previous research has shown that investors prefer to educate themselves using a variety of information,⁴⁴ which specifically suggests **H1**. Furthermore, recent research has shown that individual investors behave rationally and seek to exploit private information when buying stock.⁴⁵ Gaining a unique insight to exploit would necessarily require information more comprehensive than what is commonly available in mainstream and business news media, and this information is best available from an individual company, which suggests **H2**.

H3: The more often individual investors seek investing information with the qualities of being objective, credible, timely, easy to access, and brief/relevant, the more often they will consider information from a news media source to be useful.

One form of variance among individual investors is their investing strategy or the degree of effort they put into the task; some investors are more actively engaged in seeking information, studying opportunities, and making stock purchases than others. Cameron's study suggests that investors can be passive or active in their handling of investing information.⁴⁶ Or, in the language of the information selection domain from the situational theory of problem solving, investors may be "forefending" in seeking only relevant information, or "permitting" in seeking comprehensive information. Active investors would reasonably seek corporate-specific information, but those who are more passive and seek ease of access to relevant and credible stock information would understandably prefer the convenience and brevity of news media sources. Similarly, investors acting more intuitively than analytically prefer information in an aggregated frame, which would be supplied by news media sources covering multiple companies and their stocks.⁴⁷ In contrast, investors would have to be more analytical to do the extra work to seek information directly from corporations.

"Objective" means the information is not biased in favor of a particular company's stock, which is distinct from "credible," which indicates an informed opinion. "Brief and "relevant" were asked together as a potential value to investors who do not want to spend time reading volumes of information. But being merely brief is not enough if the brief information is not relevant to their stock purchase decision.

To address the research questions and hypotheses, a web-based survey of American individual stock investors was conducted using surveymonkey.com.

Method

Sampling. It is estimated that there are 35 million individual investors in the United States who purchase stocks outside employer-sponsored retirement plans.⁴⁸ There is no comprehensive sampling frame of American individual investors accessible to the public for such a study. This study employed a sampling method using the cooperation of the American Association of Individual Investors (AAII), which has 150,000 members, in order specifically to target the population of interest. AAI sent an e-mail invitation to take the survey to every eighteenth member on its list, yielding a sample of 8,000 names invited to take the online survey. The response rate was low at 5% (416 respondents), but with an acceptable margin of error of 4.68 to represent the 8,000 in the sample.

R² values were low, which indicates missing variables. But this does not mean the variables studied were not important. Also, the low values could reflect measurement error attributed to less-than-full

measurement scales (see below). For this reason, evaluation of the data focused on consideration of multiple regression equations that account for 10% or more of variance in each research question and hypothesis. Given the limitations mentioned, values of 10% or more are indicative of reason for further study, particularly because previous studies have not explored individual investors' information preferences.

Analysis. All research questions and hypotheses were tested using multiple regressions to control other variables. Control variables for all regressions were amount invested, years investing, hours per week seeking investing information, investing purpose (current income or retirement), employment (full-time, part-time, retired), and self-reported degree of knowledge about investing.

For demographic variables, age was an open response question, while gender, race, and income were categorical response questions, with nine income categories. Investing information variables were operationalized using Likert-type scales asking the estimated percentage of time investors seek certain types, qualities, and sources of information when they make investment decisions (see Table 1). For measuring the perceived usefulness of a source, the Likert-type 5-response agree/disagree scale was used. Response options for this study have been tested in cognitive interviews, and respondents found a percentage scale with given choices to be easiest to consider for response, as opposed to filling in a percentage on a blank. Also, asking respondents about past behavior is more predictive than asking what they will do in the future.⁴⁹

Results

Descriptive Statistics. Respondents represent a variety of ages and income levels. On other demographic measures the sample is less diverse. Respondents were 93.3% male and 93.5% Caucasian. This is a similar profile as the sample in another study of AAI investors.⁵⁰ As for investor characteristics and behaviors, there is considerable dispersion in terms of experience and engagement with investing. Table 2 summarizes mean responses for preferred types, qualities, and sources of investing information. Some meaningful differences emerge when their preferred types and qualities were associated with specific sources of information and their perception of whether companies or the media were "useful."

Research Questions and Hypotheses. While demographic variables had little association with investing information, several conclusions can be drawn about the influence of types and qualities of information as predictors of source preferences. The response rate is low, but the sample did include actual individual investors, unlike previous studies, and is therefore worth considering for further understanding of public relations content in the specific context of investor relations. The relatively low R^2 values may be due to several factors. For one, the survey instrument used scales with fewer answer options in order to facilitate response. However, fewer intervals also contribute to less variance in the data. Additionally, because this study is exploring a new area, there are undoubtedly other variables that would explain much of investors'

TABLE 1
Measurement of Investing Information Variables

Variable	Measure
<i>Information Types</i>	How often consider a company's: ¹
Past Performance	
Projected Performance	
Position in Industry	
Stock Price vs. Benchmark	
Social Responsibility	
Products/Services	
Management	
<i>Information Qualities</i>	Percentage of time seek information that is: ¹
Comprehensive	
Objective	
Credible	
Timely	
Easy to Access	
Brief	
<i>Information Sources</i>	Percentage of time seek information from: ¹
Annual Report	
Conference Call	
Annual Meeting	
News Releases	
Advertising	
Analyst Report	
Investing Website	
News Media	
Other Investors	
<i>Useful Source</i>	Find information useful when from: ²
Company	
Investment Expert	
News Media	
Other Investors	

¹ Scale: 0% (Never), 25%, 50%, 75%, 100% (Always)

² Scale: Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree

information preferences. Explaining 10% or more variance in an exploratory study suggests future research is warranted.

RQ1 asked whether or not investor preferences for different types, qualities, and sources of investing information are related to demographic differences. There were several significant regression equations (not shown). However, all of the R² values were lower than .1, meaning that demographics explain very little of the variance in investor preferences for investing information types, qualities, and sources.

RQ2 asked whether investors vary in the amount of time they seek investing information content, quality, and sources based on their risk tolerance and trade frequency. Once again the resulting R² values

TABLE 2
Descriptive Statistics

Variable	N	M	sd
<i>Demographics</i>			
Age	360	64.33	11.010
Income ¹	335	6.76	2.248
Trade Frequency ²	377	1.56	.759
Risk Tolerance ³	379	1.82	.569
<i>Information Types⁴</i>			
Past Performance	408	4.53	.878
Projected Performance	409	4.30	.958
Position in Industry	408	4.00	1.031
Stock Price vs. Benchmark	389	3.35	1.281
Social Responsibility	401	2.11	1.155
Products/Services	408	4.24	.973
Management	403	3.67	1.182
<i>Information Qualities⁴</i>			
Comprehensive	387	3.88	1.039
Objective	388	4.43	.802
Credible	389	4.59	.711
Timely	383	4.45	.760
Easy to Access	387	4.23	.906
Brief	383	3.95	1.033
<i>Information Sources⁴</i>			
Annual Report	386	2.92	1.346
Conference Call	383	1.67	.998
Annual Meeting	382	1.55	.858
News Releases	384	3.31	1.124
Advertising	379	1.69	.821
Analyst Report	384	3.60	1.138
Investing Website	381	3.87	1.117
News Media	382	3.54	1.063
Other Investors	378	2.05	1.067
<i>Useful Source⁵</i>			
Company	385	3.51	.866
Investment Expert	385	3.86	.806
News Media	386	3.24	.891
Other Investors	383	2.97	1.001

Notes:

¹ 9 Categories of \$15K from 1="less than \$20K" to 9="more than \$125K"

² Coded 1= Buy / Hold; 2=Quarterly / Annual Rebalance; 3=Weekly or Daily

³ Coded 1= High, 2 = Moderate, 3 = Low

⁴ Coded 1 = 0% (Never), 2 = 25%, 3= 50%, 4= 75%, 5 = 100% (Always)

⁵ Coded 5-point Scale with 1 = "Strongly Disagree" and 5 = "Strongly Agree"

TABLE 3
Summary of Regression Analysis for Predicting Preferred Content Sources
Based on Preferred Content Types

(R-square values higher than .1 and highest part correlations in bold)

DV	Equation	R ²	Part Correlations						
			A	B	C	D	E	F	G
Annual Report	$F(13, 279) = 6.035, p < .01$.219	.016	.013	.012	.000	.000	.001	.068
Conference Call	$F(13, 279) = 3.552, p < .01$.142	.001	.000	.001	.002	.004	.001	.043
Annual Meeting	$F(13, 278) = 3.126, p < .01$.128	.000	.000	.002	.004	.021	.003	.060
News Release	$F(13, 279) = 3.612, p < .01$.144	.001	.004	.000	.000	.005	.020	.008
Advertising	$F(13, 277) = 2.975, p < .01$.123	.001	.001	.001	.000	.029	.001	.005
Analyst Report	$F(13, 279) = 3.871, p < .01$.153	.001	.067	.000	.006	.000	.000	.000
Investing Website	$F(13, 279) = 2.360, p < .01$.099	.003	.007	.000	.003	.002	.006	.009
Media	$F(13, 279) = 4.428, p < .01$.171	.005	.028	.004	.000	.003	.018	.000
Individual Investor	$F(13, 278) = 2.184, p = .01$.093	.006	.025	.000	.002	.008	.009	.002

A = past performance; B = projected performance; C = industry position; D = benchmark; E = social responsibility; F = products; G = management

(not shown) for all regressions were lower than .1. However, there may be some hint of an answer to the research question in that the highest value is for the regression treating annual report as the dependent variable ($F[8, 305] = 3.398, p < .01$), with 8% of the variance in seeking information from an annual report explained by investors' trade frequency and risk tolerance, with trade frequency accounting for 6.1% of the reported variance. This suggests that investors who trade less often (i.e., buy and hold investors) are more likely than frequent traders to seek information from annual reports.

RQ3 addressed the association between the seven investing information content types with the nine sources of investing information. Regressions to address this question were all significant, and seven of the nine regressions had R² values larger than .1. The results show that investors select different specific sources of information depending on the types of information they seek (see Table 3).

Examination of part correlations provides some interesting insight on this research question. Seeking information about a company's management predicts selecting information from annual reports, conference calls, and annual meetings as sources. Investors seeking information about a company's products is associated with their selecting information from news releases and the news media. Interest in projected performance—expected future returns on investment or change in stock price—is associated with selecting the news media and analyst reports. Seeking information regarding a company's social responsibility explains investors' selecting information from advertising.

TABLE 4
*Summary of Regression Analysis for Predicting Usefulness of Company or Media Source
Based on Preferred Content Types and Qualities*

(R-square values higher than .1 and highest part correlations in bold)

DV	Equation	R ²	Content Types						
			A	B	C	D	E	F	G
			Part Correlations						
Company	<i>F</i> (13, 279) = 3.655, <i>p</i> < .01	.146	.017	.017	.006	.001	.003	.000	.045
<i>A = past performance; B = projected performance; C = industry position; D = benchmark; E = social responsibility; F = products; G = management</i>									
			Content Qualities						
			a	b	c	d	e	f	
			Part Correlations						
Company	<i>F</i> (12, 280) = 1.724, <i>p</i> > .05	.069	.015	.005	.003	.003	.000	.005	
Media	<i>F</i> (12, 282) = 2.664, <i>p</i> < .01	.102	.019	.001	.005	.000	.001	.000	
<i>a = comprehensive; b = objective; c = credible; d = timely; e = easy access; f = brief</i>									

The association of qualities of investing information with sources of investing information was the subject of **RQ4**. Here, the most meaningful conclusions can be drawn regarding qualities of information associated with investors seeking annual reports and news releases. The qualities of information explain 10% of the variance in seeking annual reports ($F[12, 281] = 2.773, p < .01$), $R^2 = .106$, and 11% of the variance in seeking news releases ($F[12, 281] = 2.895, p < .01$), $R^2 = .110$. Part correlations showed that the information quality of "comprehensive" provides the largest contribution to explaining the variance (6.9% for annual reports and 5.1% for news releases). While R^2 values were lower with regressions treating other sources as dependent variables, comprehensive is also the quality most associated with investors seeking information from conference calls, annual meetings, investment websites, and news media. Descriptive statistics show that comprehensive was the quality of information investors seek the least often. "Comprehensive" and "brief" had the lowest means (Table 2). This likely means that the amount of information is less important overall than the nature of the content, such as credible, objective, timely, and easy to access. However, this study shows that those investors who *do* seek comprehensive information consult multiple sources, with the association with annual reports and news releases being the strongest. Also, in the regression models (Table 4) when asked about "usefulness" of company or news media source, the comprehensive quality has the highest part correlation for both company and media, whereas the part correlation for "brief" was zero or low. This shows a more clear difference between the two qualities.

The first hypothesis (H1) suggested that the more often investors sought information about a company's products and management, the more often they would consider information from the company to be useful. Results show that 14% of the variance in finding company information useful can be explained by the type of information sought. The part correlations give partial support to the hypothesis. Seeking management information provides the largest relative contribution (4.5%) to the variance in finding company information useful. However, the part correlation for products is extremely low, explaining none of the variance. The second and third hypotheses stated that seeking information from a company, expert, media, or other individual investor source can be predicted by the qualities of information investors seek. Neither H2 nor H3 could be supported. While the regression for H3 was significant, the part correlation for "comprehensive" was dominant, meaning other variables had little association. Data related to all three hypotheses are summarized in Table 4.

The results show support for the theoretical notions of uses and gratifications as related to the situational theory. Specifically, the personal utility for investors appears to be gratified by the forefending and permitting behaviors of media selection—depending on the nature of their investing problem—posited in the situational theory of problem solving.

The study also confirms earlier research showing that investors use a variety of information to make investment decisions,⁵¹ but suggests that this is specifically the case when investors value information with a comprehensive quality. This study also contributes to a clarification of earlier research indicating that stockbrokers and analysts are the most important source of information⁵² and that annual reports are less important to investors⁵³ by indicating possible associations between these sources of information and specific types of information. Results identify conditions associated with investors selecting sources of information that would be considered public relations content. Seeking comprehensive information is more strongly associated with the PR tools of annual reports and news releases than other sources of information. This validates public relations communication as having value to a specific set of individual investors and suggests that public relations communications content has as much or more value than information from the news media or other sources in an investor relations context.

The most practical lesson is that investors select specific sources especially when they have specific types of investing information needs to gratify:

- Investors are more likely to select annual reports, conference calls, and annual meetings to gratify needs for information about management. Investors consider "company" the most useful source of information about management. They also select annual reports when interested in past performance;

Discussion

- Investors pay attention to advertising to satisfy interest in social responsibility aspects of a company;
- Investors needing product-related information select news releases and news media sources;
- Investors specifically needing information about projected performance value information from analysts and the news media.

Public relations (PR) and investor relations (IR) professionals can respond to these results practically in their communications strategies. For example, practitioners could conclude that providing more information about management in the specific communication tools mentioned above will have a positive effect on attracting investors. Image ads about a company's CSR efforts are important not just for overall reputation management, but have specific value with the investor public. The fact that investors value news releases and the news media most when seeking product information may be explained by the fact that news releases are the complete unedited information, whereas a reporter or news medium that discusses a product will likely edit the original news release. PR and IR professionals should be sure to make corporate news releases about products and services available in online newsrooms as well as the investor relations sections of their websites, and also make e-mail subscription to their news releases available to investors as well as journalists. The fact that analyst reports and the news media were the specific sources selected when seeking information about projected performance makes sense given that companies are limited in making what the Securities Exchange Commission (SEC) calls "forward-looking statements," while journalists and analysts may freely speculate about this type of information investors seek. PR practitioners should see the news media and stock analysts as important intervening publics for investors seeking this type of information.

Social responsibility and word of mouth (WOM) seemed of minimal value to investors, but are interesting for discussion. A low ranking of social responsibility as an investing concern may be due to investors in this study being mostly male and older, whereas another study found that investors concerned with social responsibility are more likely female and younger.⁵⁴ The low regard for WOM information is consistent with the study cited in the literature review, which points out that only 13% of all investors are influenced in investing decisions by family/friends and 8% by co-workers. WOM may be more of a factor in consumer decisions than investing in particular.⁵⁵

Limitations and Future Research. The study was limited by a relatively small response rate, potentially biasing data, as well as low R^2 values.

Future research efforts could seek to replicate this study with a longer protocol to yield a higher response rate. Because the questions were phrased "percent of time" changing intervals from 25% to 10% for a broader scale could be appropriate and may result in more variance and higher R^2 values. Future research should also consider new variables, possibly by conducting focus groups with investors.

NOTES

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